

FISCAL NOTE

SB 342

February 13, 2007

SUMMARY OF BILL: Exempts the self-insured insurance pool of an association of private, not-for-profit education institutions which has been in existence for twenty-five years or more from paying premium taxes and requires previously paid premium taxes to be refunded to the pool.

ESTIMATED FISCAL IMPACT:

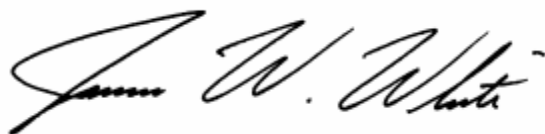
Decrease State Revenues – Exceeds \$200,000 Recurring
Increase State Expenditures - \$1,157,000 One-Time
Decrease State Expenditures – Not Significant/Recurring

Assumptions:

- One entity, the Tennessee Independent Colleges and Universities Association Benefit Consortium, will be affected by the provisions of this bill, as amended.
- Since 2001, the Consortium has paid approximately \$1,157,244 in premium taxes to the State of Tennessee. There will be a one-time increase in state expenditures to refund this money to the Consortium.
- Based on past premium tax payment history, the state will realize a decrease in revenues exceeding \$200,000 on a recurring basis.
- There will be a not significant, recurring decrease in state expenditures in administrative costs as a result of no longer requiring the Consortium to pay premium taxes.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director